

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT        )  
FILING OF KENTUCKY FRONTIER        )     CASE NO. 2011-00117  
GAS, LLC D/B/A PEOPLE'S GAS, INC. )

ORDER

On January 29, 2010, in Case No. 2009-00492, the Commission approved Kentucky Frontier Gas, LLC's ("Kentucky Frontier") acquisition of the assets of People's Gas, Inc.<sup>1</sup> Upon completion of the acquisition, Kentucky Frontier d/b/a People's Gas, Inc. ("People's") adopted the tariff of People's, which included a Gas Cost Adjustment ("GCA") clause that provided for the adjustment of rates on a quarterly basis to reflect changes in the cost of purchased natural gas.

On March 31, 2011, People's filed its GCA to be effective May 1, 2011.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. People's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

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<sup>1</sup> Case No. 2009-00492, Application of Kentucky Frontier Gas Company, LLC for Approval of Transfer of People's Gas Company Assets (Ky. PSC Jan. 29, 2010).

2. People's notice sets out an Expected Gas Cost ("EGC") of \$6.1908 per Mcf, which represents a decrease of \$1.9914 per Mcf from its previous EGC of \$8.1822 per Mcf.

3. People's notice sets out no current quarter Refund Adjustment.

4. People's notice sets out a current quarter Actual Adjustment ("AA") in the amount of \$.1065 per Mcf. People's total AA of (\$1.0826) per Mcf is an increase of \$.1065 per Mcf from its previous total AA of (\$1.1891) per Mcf.

5. People's notice proposes a current quarter Balance Adjustment ("BA") of (\$.0399) per Mcf. People's total BA of (\$.0877) per Mcf represents an increase of \$.0349 per Mcf from its previous total BA of (\$.1226) per Mcf.

6. People's GCA is \$5.0205 per Mcf, which is a decrease of \$1.8500 per Mcf from its previous GCA of \$6.8705 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for service rendered by People's on and after May 1, 2011.

IT IS THEREFORE ORDERED that:

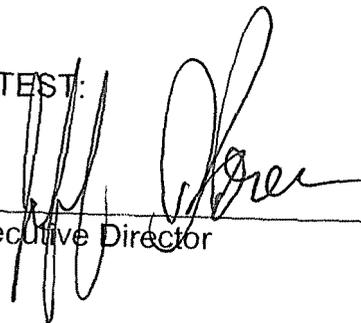
1. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after May 1, 2011.

2. Within 20 days of the date of this Order, People's shall file its revised tariff sheets with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED   
APR 25 2011  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2011-00117

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00117 DATED **APR 25 2011**

The following rates and charges are prescribed for the customers in the area served by People's Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Monthly:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$ 4.3971	\$ 5.0205	\$ 9.4176
Over 1 Mcf	\$ 2.7670	\$ 5.0205	\$ 7.7875

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